Appendix A

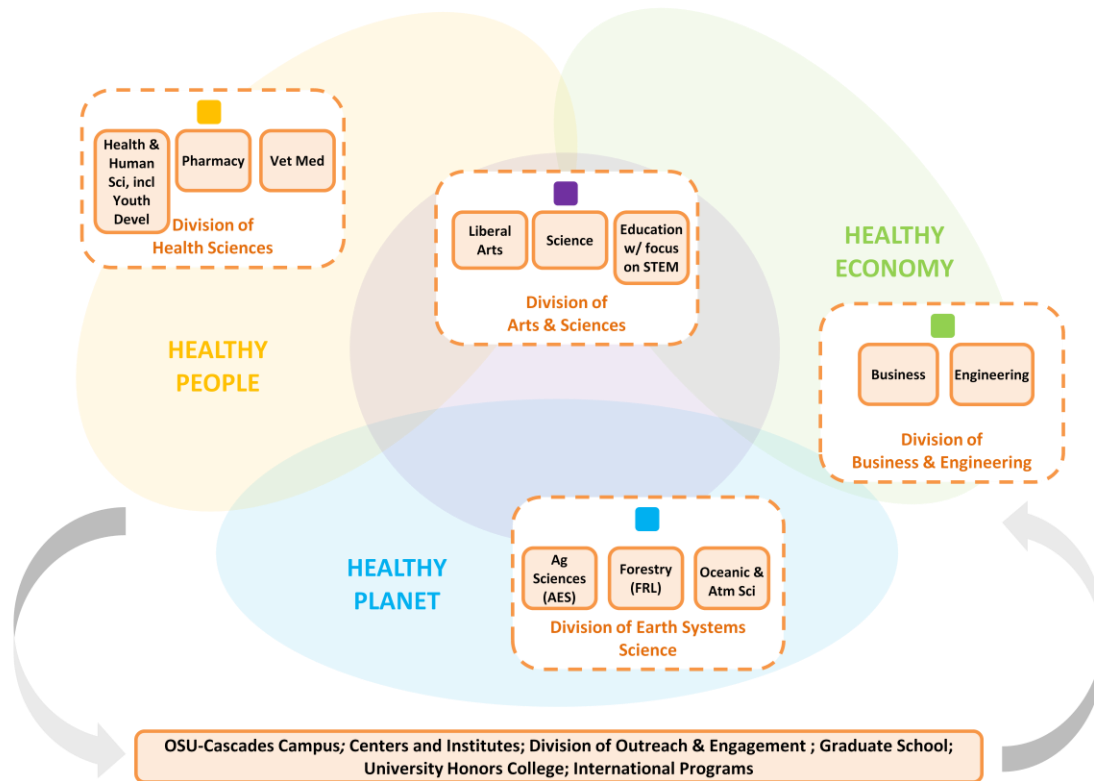**Proposals Approved for Implementation by President Ray**

DIVISIONAL ADMINISTRATIVE STRUCTURES

ADMINISTRATIVE SYSTEM GUIDELINES:

- Maximum of **4** levels of management
- Targeted minimum of **6** direct reports
- Move 75% of decision authority in Business Affairs and Human Resources to Business Centers
- Recover full costs for services provided to OUS and other external (to OSU) entities

ACADEMIC SYSTEM GUIDELINES:

- U/G degrees, options and/or minors must
  - a) graduate min **20** students/yr – **3 yr avg**.
  - b) maintain min **4 FTE** of professorial faculty
- Masters degrees and/or minors must
  - a) graduate min **5** students/yr – **3 yr avg**.
  - b) maintain min **5 FTE** of professorial faculty
- PhD degree and/or minors must
  - a) graduate min **2** students/yr – **3 yr avg**.
  - b) maintain min **5** FTE of professorial faculty

- OSU academic structures must meet the following
  a) have a max of **5 sub-units** / college
  b) include a min of **20 faculty** / sub unit
- Minimum class sizes are as follows
  a) lower division   **25**
  b) upper division   **15**
  c) graduate **6** (eliminates bottom 25%)

RESEARCH GUIDELINES:

- Enforce the current 5 year systematic review of Centers, Institutes, and Programs to assess viability and alignment with OSU's Strategic Plan
- Consolidate and coordinate major inter-departmental research core facilities support: Mass Spectrometry, Proteomics, Laboratory Animal Research, Imaging Center, and Nuclear Magnetic Resonance Centers
- Honor overhead rates of external organizations. However, overhead rate waivers approved only if subsidized at the college level, not OSU level

STUDENT SUCCESS RECOMMENDATIONS

Create an enhanced focus on Student Engagement and Success
- Ensure access to foundational academic courses
- Oversee orientation and retention programs
- Oversee academic support programs (e.g. tutoring, supplemental instruction)
- Coordinate small course learning experience
- Coordinate 1st year Student Advising
- Unit leader is a direct report to the Provost

ADMINISTRATIVE AND ACADEMIC SUPPORT UNIT COST SAVINGS:

UNIT & PROGRAM

ACADEMIC AFFAIRS & INTERNATIONAL PROGRAMS AND STUDENT AFFAIRS
- OSU Press must become self-supporting
- Merge Associate Provost-IP position with INTO OSU Academic Program Director
- Focus IP on education and student programs; align research component of IP with Research Office
- Realign student success functions in Academic Success and Engagement for administrative efficiencies. Coordinate with NSPFO in Student Affairs
- Realign faculty development functions in Academic Affairs for administrative efficiencies

GRADUATE SCHOOL
- Reduce monitoring functions and decentralize appropriate responsibility to academic units

INFORMATION TECHNOLOGY
Also see narrative on Pages 2-3.
- Fully recover costs for OUS support
- Reduce costs associated with enhanced classrooms by replacing MacPros with less expensive PCs and extending the refresh period from 3 to 4 years; where Macs are really needed, instructors would use laptops
- Reduce costs of replacing classrooms and lab computers by moving from 3 to 4 year replacement cycle; reevaluate after 2 cycles
- Reduce number of general purpose computer labs based on utilization; make Student Computing Facilities classrooms available for general use when not needed for classes
- Create a *single administrative computing service core*; consolidate academic computing functions into *computing services core* by bringing together dispersed units
- Simplify support environment by setting threshold for age/type of computers connected to the OSU network
- Require computer purchases to go through the BCSs leveraging discounted machine configurations negotiated for bulk purchases
- Consolidate general faculty storage services in a single storage area network available campus wide

- Consolidate desktop support unit to achieve consistent support and economies of scale
- Move Central Web Development to Enterprise Computing
- Automate the course evaluation process

UNIVERSITY ADVANCEMENT
Also see narrative on Page 3.
- Create a core service center for technical marketing assets at the university level that includes technical resources associated with videography, photography, technical writing, graphic design, web development, as well as the outsourcing management for these types of services

FINANCE & ADMINISTRATION
- Complete business center implementation, including restructuring of central human services, business services and purchasing functions
- Consolidate events functions across the University with Conferences & Special Events
- Create dual reporting line to F&A for: University Housing and Dining, Telecommunications, Network Services

PRESIDENT'S OFFICE
- Organize all diversity efforts under two structures: Student Diversity (coordinated through Student Affairs) and Institutional Diversity (coordinated through Academic Affairs)
- Consolidate admin support for WAGE and Community & Diversity
- Reduce subsidy to Athletics by 15%
- Reduce subsidy to Alumni Relations by 15%

OUTREACH & ENGAGEMENT
- Align and restructure support functions in the OSU Extension Service and ECampus, including Department of Extension and Experiment Station Communication

OTHER
- Consolidate machine shops

ACADEMIC PROGRAM ELIMINATION AND/OR CONSOLIDATION

Degree	Level (B, M, or D)*
COLLEGE OF AGRICULTURAL SCIENCES	
Environmental Economics, Policy and Management (Alternative degrees available, e.g. Agricultural Business Management, Economics, Political Science, Environmental Science)	B
Genetics (Consolidate with MCB)	M, D
Poultry Science	M, D
Streamline scope of Agriculture Programs at EOU (College in process of assessing all its educational programs)	B
COLLEGE OF EDUCATION *Double Degree Option Available*	
Business education	MAT
Family & Consumer Science Education (currently being restructured; see HHS)	MAT
French Education	MAT
German Education	MAT
Language Arts Education	MAT
Marketing Education	MAT
Health Education	MAT
Physical Education	MAT
Technology Education	MAT

COLLEGE OF ENGINEERING	
Engineering Physics	B
Ocean Engineering	M
Radiation Health Physics	B
COLLEGE OF FORESTRY	
Recreation Resource Management (restructure/reorient existing degree)	B
Forest Products (Alternative graduate degrees available in Wood Science and Engineering)	M
Wood Science and Technology (restructure/reorient existing degree)	B
COLLEGE OF HEALTH & HUMAN SCIENCES	
Housing Studies (Consolidate with Interior Design)	B
Foods and Nutrition	B
Human Performance and Movement in Disability (Consolidate with MAT degree in Family & Consumer Science Education degree with a focus on Adaptive Physical Education)	M, D
Environmental Health/Safety (Alternative degrees available, e.g. Health Management and Policy)	B, M
Environmental Health Management (Alternative degrees available, e.g. Health Management and Policy)	M
Health and Safety Administration	M
COLLEGE OF LIBERAL ARTS	
American Studies	B
Foreign Languages: Refocus to be really good in no more than 2 languages; offer an additional 2-3 languages; move remaining to a self-sustaining model or eliminate	B
COLLEGE OF OCEANIC & ATMOSPHERIC SCIENCES	
Geophysics (duplication with Geosciences in College of Science)	M
COLLEGE OF SCIENCE	
Applied Physics	M
Computational Physics	B
Earth Science (Eliminate or restructure in collaboration with COAS)	B
Mathematical Sciences	B
Operations Research (move appropriate coursework to MIME in Engineering)	M
Water Conflict Management & Transformation	M

MINORS (Fall term 2008 enrollment) *(Eliminate if degree eliminated (e.g. Applied Physics) or move to eCampus delivery)*	**U/G or G**
Actuarial Science	U
Air and Space Studies	U
Applied Physics	G
Computational Physics	U
Cultural/Historical Aspects of Near Environment	U
International Agricultural Development	U, G
Irrigation Engineering	U
Mathematical Sciences	U
Ocean Engineering	G
Regional Studies	U
Telemedia	U

Some context on revenue and expense growth over the last 11 years

Figure 1: Corvallis E&G revenue and expense growth (including net transfer out expenses). When we talk about budget cuts we are usually talking about slowing expense growth not reducing total overall spending year over year.
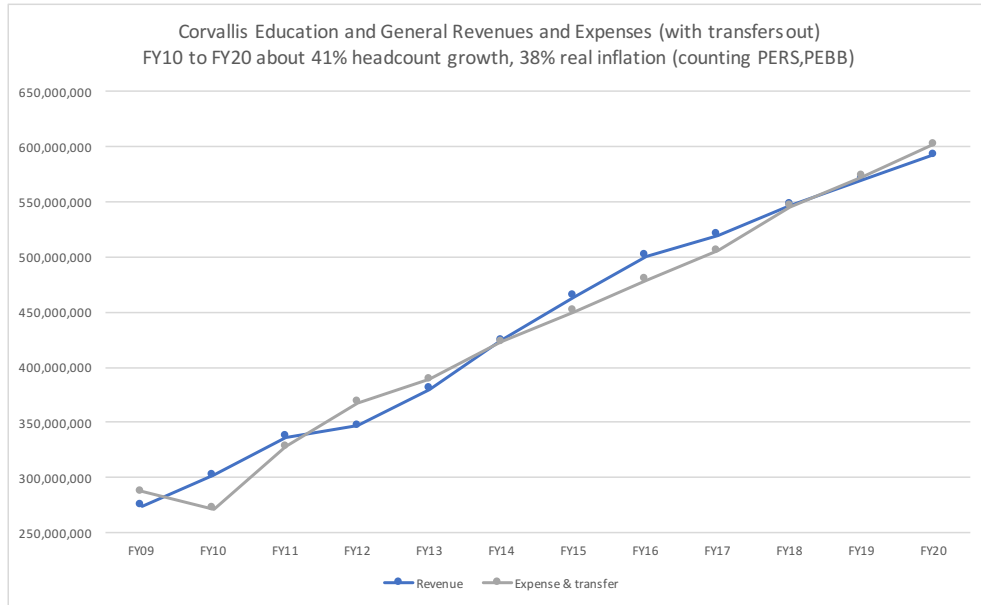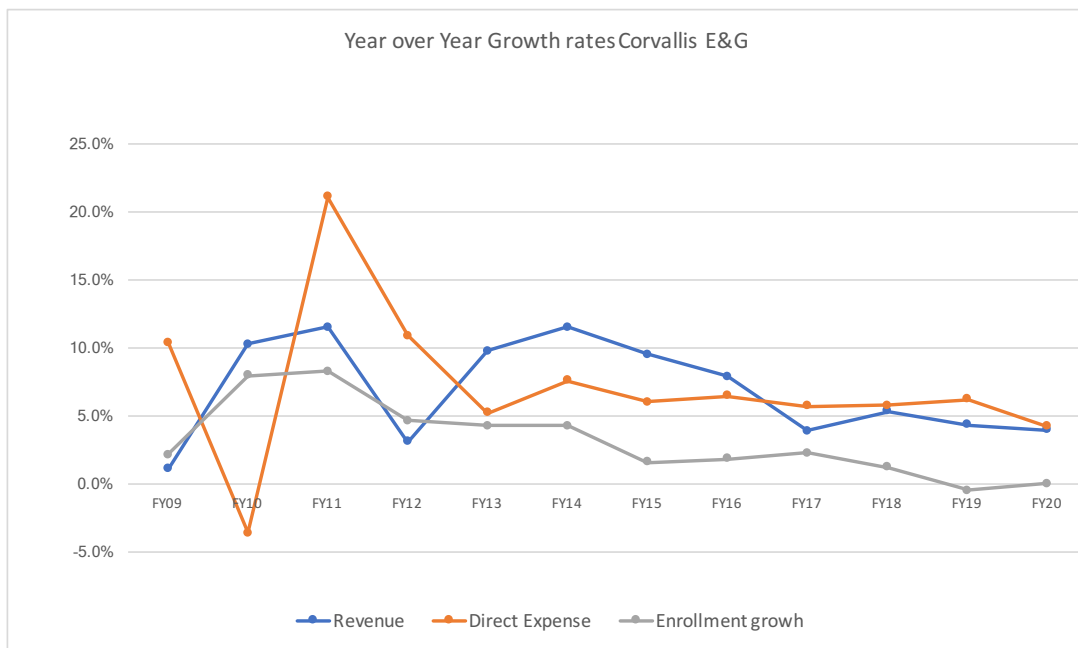

Figure 2: The year-over-year rates of growth of revenue, expense (here direct expense without transfers), and enrollment illustrate the pressures on the net budget position. The odd large rate increases in expenses in FY11 and FY12 were due to spending Federal stimulus funds.

Bits and pieces of some examples of prioritization exercises in higher education:

Oregon State University   (the link to strategic goals and priorities)

Strategic Alignment and Budget Reduction
Implementation Plan for 2009-2011
8 October 2009

Design and implementation plans for all units will be guided by the same overarching principles used by the Advisory Council on Budget and Strategic Priorities at the university level: maximize student learning and success and minimize impact of budget reductions on progress towards graduation, maximize faculty recruitment and retention to advance students' success and our signature areas of distinction, and use the Strategic Plan as a guide to current and future opportunities.

University of Nebraska (specific criteria for prioritization scoring) 2000

I. Centrality to roles and missions and strategic plans of the University and the campus

II. Need and Demand, internal to the university, as well as external demand as can be demonstrated in the state, regional, national, and international markets.

III. Quality and Outcomes of Teaching/learning

IV. Quality and Outcomes of Research/Creative Activity

V. Quality and Outcomes of Service to the Public and University

VI. Human, Fiscal and Physical Resources

VII. Impact   (educational, economic, social, and cultural benefits
of the program impact on the campus, the University, Nebraska and society at large)

VIII. Cooperation and Partnership with Other Programs (both academic partnerships and partnerships with business/industry/service agencies)

IX. Other Unique Dimensions of Program

Montana University System, October 2016 (examples of specific issues and criteria)

This is from a presentation and discussion lead by Robert C. Dickeson, Academic Strategy Partners, for the Montana University System http://www.umt.edu/provost/communications/docsimx/Dickeson.pdf

Most efforts to reduce costs have been to:
- Focus on the non-academic side
- Defer physical plant maintenance
- Ignore academics as too politically volatile
- Make cuts across- the- board
- Make fortuitous cuts

The inescapable truth is not all academic programs are created equal—a large portion of institutional resources in academic programs:
- Some are more efficient
- Some are more effective
- Some are more central to mission

Academic prioritization criteria might include:
1. History, Development & Expectations of the Program
2. External Demand
3. Internal Demand
4. Quality of Inputs & Processes
5. Quality of Outcomes
6. Size, Scope & Productivity
7. Revenue and Other Resources Generated
8. Costs and Other Expenses
9. Impact, Justification & Overall Essentiality
10. Opportunity Analysis

Prioritizing Non-Academic Programs can yield expense reductions through:
1. Opportunities for cost savings & cost sharing should be explored.
2. Outsourcing non-mission critical functions may be cost effective.
3. Middle management bulge is unsustainable.
4. Technological improvements may yield savings .
5. Process streamlining can save time and money.
6. Sources of hidden costs should be explored.
7. Restructuring/Collaboration can improve efficiencies.

Prioritization criteria for non-academic programs and services might include:
l. Key objectives and how they are measured.
2. Services provided and to which customers, internal and external.
3. Position-by-position analysis.
4. Unmet needs and demands.
5. Opportunities for collaboration and restructuring.
6. Opportunities to share skill sets and resources.
7. Opportunities for cross-training.
8. Technological improvements that are cost effective.
9. Process improvements to streamline operations.
l 0. Outsourcing exploration to improve service and cut costs.

Boise State Program Prioritization 2014 https://academics.boisestate.edu/planning/program-prioritization/

Academic "Programs" evaluated in three phases:

> • Sub-degree Program Components (159 programs)
> • Degree programs {13 5 programs)
> • Departments (45 programs)

Some of the data for academic units:

Quantitative:
- Average number all graduates
- Annual graduates per year per $100K of instructional cost
- Annual graduates per year per tenured/tenure-track faculty FTE
- Annual graduates per enrolled student
- Average credits at graduation (baccalaureate native students only)
- Instructional cost per student credit hour (SCH) as a % of peers (using Delaware Study)
- Average time to degree & program attrition (doctoral degrees only)
- Junior-senior headcount enrollment
- Enrollment for graduate programs

Qualitative:
- Alumni Survey - preparation for work and further education
- Alumni Survey - contribution of department/major to civic engagement
- Student Survey Data
- Graduating Student Survey - satisfaction with program
- Graduating Student Survey - perceived quality of faculty

These were scored using faculty teams from other colleges and then arranged in quintiles with a focus on the lowest quintile programs.

Administrative and support units

Step 1: identify units and programs

Step 2: units responded to a questionnaire:

> Criterion 1: Relevance
> - Alignment with University's mission & strategic plan.
> - Essentiality of function, e.g. required for compliance? .
>
> Criterion 2: Quality
> - How are quality and effectiveness assessed?
> - Evidence of quality and effectiveness?
>
> Criterion 3: Efficiency
> - Benchmark data re : resources used
> - Operations that generate revenue or result in cost savings
>
> Criterion 4: Productivity
> - How is the program's impact measured?
> - Evidence re : work volume
> - Evidence re: impact

Step 3: Scoring, ranking, decisions

Scoring by Team in Each Division (often leadership)
- Typically included representation from other divisions

At-length, honest discussion by Team:
- Substantial context because expertise in room
- Often evolved to changes to organizational structure
- Everyone knows your business: Difficult to manipulate scoring

Result: rank programs, establish quintiles, develop action plans

Resources reallocated within divisions, not among them

Final decision by division Vice President

Report to President and other VPs

Key points in Methodology:

Decentralized responsibility:
- No Giant Committee: Instead those responsible for implementing actions (Deans and VPs) made final decisions
- Scoring, ranking, & decisions by those who understand context
- Departments/units typically decided what actions to take
- Result:
  - Honest ranking of programs and discussion of issues instead of gaming system
  - Focus on improvement
  - Changes to organizational structure
  - Substantial ownership of, and buy-in to, the process

Decentralized resource reallocation in Admin/Support
- No threat to division
- Strategic decisions about resource allocation

Avoided non-substantive changes
- Easy-to-sacrifice programs off the table (e.g., emphases and minors)
- Hard and fast 20% per college or division : substantive action required

Did not focus on "look how much $$ we saved!!!"
- Too easy to game it; too difficult to measure with accuracy

Flexibility and adaptability, e .g.,

Broad participation in nuts and bolts
- Metrics for academics initially developed in workshop of Department Chairs
- Feedback on metrics and process from Faculty Senate, Chairs, and Deans
- Faculty teams scored Quality/Relevance essays and Program Assessment Plans
- Leadership teams did scoring within each division
- Administrative & Support units developed relevant metrics
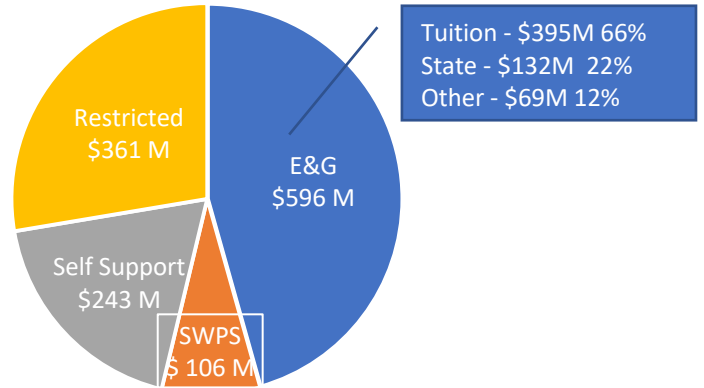
Lots of communication, especially to groups
- Announcement by President during fall address
- Presentations to all Admin/Support divisions and many units
- Presentations to Faculty Senate, Dept Chairs, Deans
- Open question/answer sessions
- Website with all materials

Tuition and the Tuition Setting Process

Context: OSU offers a world-class education within an accomplished research-intensive university. OSU's peers include institutions like the University of Arizona, the Ohio State University, the University of Wisconsin-Madison, and Texas A&M University.

How much of the budget comes from tuition?
The OSU budget has four principal parts: Education & General (E&G) funds, restricted funds (like Federal grants for research or federal financial aid), self- support funds (like Housing and Dining or Athletics)   and Statewide Public Service (SWPS) funds. The funds in the non-E&G budgets don't receive tuition and their budgets are not available for Education and General budget purposes.

Pie chart:
- Restricted $361 M
- E&G $596 M
- Self Support $243 M
- SWPS $ 106 M
- Tuition - $395M 66%
- State - $132M 22%
- Other - $69M 12%

What does tuition pay for? Tuition is the largest part of the Education and General (E&G) budget which supports most of the faculty, graduate assistants, and staff that deliver academic programs; the physical infrastructure supporting those programs; and the service, support and administrative functions that allow those programs to work. In short, tuition is the largest source of funding for the academic mission of the university. 75% of the spending of those budgets is on salaries and benefits for faculty, staff, and graduate assistants. 60% of the E&G budget goes to colleges and academic units.

Why does tuition keep going up? The biggest reason for tuition increasing is that costs increase every year. OSU has inflation in salaries, benefits, and costs of goods and services like any organization. The costs of many salaries are set by contracts based on market forces and benefit costs are set by the state. For example, from FY19 to FY20 salary costs are projected to increase $8.5M, benefits costs $10.2M, and service and supply costs $3.4M. That's an inflation rate of about 4.1%. The other cost pressure is the need to make commitments for new services (sometimes at the request of students or staff, sometimes for compliance) or repair of facilities.

Why can't OSU cut expenses instead of raising tuition? OSU is always looking for expense reductions and in the 2017-18 fiscal year cut $20M in expenses from the Education and General budgets to keep tuition increases below 5%. The problem with addressing cost increases only with expense cuts is that after a while essential services have to be cut. For example, if inflationary costs are 4% every year, and OSU cut that much every year, in five years the cuts would be 22% in total and many programs and services would be gone.

How does state funding affect tuition? The state provides funding for resident undergraduate and graduate students to offset the costs of education and to keep tuition lower for those students but it is only 22% of E&G funding. However, in many years the state has not increased funding enough to cover its share of cost increases (particularly for retirement and health insurance costs) and this has shifted those costs to tuition.

Why can't some of the money in athletics offset tuition? Most of the operating money for athletics comes from TV revenues, gifts, and ticket sales that are specifically to support OSU's participation as a member of the PAC-12.

The University Budget Committee has made rate proposals to the Provost and the President for next year. More information about tuition, tuition rates, and the work of the University Budget Committee can be found at https://fa.oregonstate.edu/budget/university-budget-committee . If you have questions or comments about tuition or the university budget you can send those to Sherman.Bloomer@oregonstate.edu .

Tuition and the Tuition Setting Process

Table 1: Tuition Scenario Table (Corvallis campus): Tan shaded cell is the recommended 2019-20 planning scenario by the UBC. Precise percentage increases in each box are different than the nominal increases in per credit hour charges at the top because there is a fixed zero-credit hour charge that is part of undergraduate tuition and rates are rounded to the nearest whole dollar.

	Scenario A: Resident 4%, Non-resident 4%	Scenario B: Resident 4.5%, Non-resident 4.5%	Scenario C: Resident 7%, Non-resident 4.5%
State biennial increase to universities: $0M and cut of ETSF funding **-$11.5M FY19 to FY20 for OSU-Corvallis (down $4.5M in PUSF funding)**	Resident undergraduate: 3.82% Non-res undergraduate: 3.81% Financial aid increase $3.8M Surplus or (deficit): $(27.7M) $360 annual increase residents $1080 annual increase non-res	Resident undergraduate: 4.29% Non-res undergraduate: 4.28% Financial aid increase $3.9M Surplus or (deficit): $(26.8M) $405 annual increase residents $1215 annual increase non-res	Resident undergraduate: 6.68% Non-res undergraduate: 4.28% Financial aid increase $4.2M Surplus or (deficit): $(24.8M) $630 annual increase residents $1215 annual increase non-res
State biennial increase to universities: +$40M **+$2.0M FY19 to FY20 for OSU-Corvallis**	Resident undergraduate: 3.82% Non-res undergraduate: 3.81% Financial aid increase $3.8M Surplus or (deficit): $(13.1M) $360 annual increase residents $1080 annual increase non-res	Resident undergraduate: 4.29% Non-res undergraduate: 4.28% Financial aid increase $3.9M Surplus or (deficit): $(12.2M) $405 annual increase residents $1215 annual increase non-res	Resident undergraduate: 6.68% Non-res undergraduate: 4.28% Financial aid increase $4.2M Surplus or (deficit): $(10.2M) $630 annual increase residents $1215 annual increase non-res
State biennial increase to universities: +$120M **+$15.0M FY19 to FY20 for OSU-Corvallis**	Resident undergraduate: 3.82% Non-res undergraduate: 3.81% Financial aid increase $3.8M Surplus or (deficit): $(0.7M) $360 annual increase residents $1080 annual increase non-res	Resident undergraduate: 4.29% Non-res undergraduate: 4.28% Financial aid increase $3.9M Surplus or (deficit): $0.2M $405 annual increase residents $1215 annual increase non-res	Resident undergraduate: 6.68% Non-res undergraduate: 4.28% Financial aid increase $4.2M Surplus or (deficit): $2.2M $630 annual increase residents $1215 annual increase non-res
	Base resident tuition & fees: 3.98% Average res. tuition & fees: 4.12%	Base resident tuition & fees: 4.43% Average res. tuition & fees: 4.54%	Base resident tuition & fees: 6.67% Average res. tuition & fees: 6.64%

- After 7%, each 1% increase in resident undergraduate tuition reduces budget gap by about $0.9M and increases financial aid by $0.1M.
- Graduate tuition, professional tuition, differential tuition and Ecampus at the rates in Appendix A.
- Cost estimates include ~4.1% overall inflation this year because of large increases in benefit costs (about $10M total, mostly in retirement rates); costs of growth (about 0.3% for modest growth in Ecampus but small declines in Corvallis); and new commitments (this year largely for capital renewal and repair, athletics, and the OSU Foundation). Financial aid increases include an additional $2.6M plus a percentage of increased tuition revenues.

March 8, 2019

Update on Fine Arts Differential Tuition Proposal

1. Business Affairs, Registrar and Financial Aid group determined differential tuition can be charged by the course. It is ideally done by identifying all course designators at a certain course level (e.g. all ART 3xx and ART 4xx). The School may want to try to exclude some of the upper-division Baccalaureate Core courses.

2. Four models for implementing the differential tuition were looked at:

Various models of Fine Arts Differential Tuition					
	Model 1, by major Jr Sr	Model 2, SCH @15 no MUP	Model 3 SCH @ 15 keep MUP	Model 4, SCH @20 no MUP	Model 5 SCH @ 20 keep MUP
Lower division course fees	188,674	188,674	188,674	188,674	188,674
Current upper division course fee $	87,459	87,459	87,459	87,459	87,459
New Upper division differential tuition:	174,600	104,550	100,635	134,180	134,180
Eliminated upper division course fees	(87,459)	(87,459)	(26,509)	(87,459)	(26,509)
Total revenue	**363,274**	**293,224**	**350,259**	**322,854**	**383,804**
Net new revenue	87,141	17,091	74,126	46,721	107,671

The School favors Model 5 and is discussing the impact on Music students. This produces annual funding that would make a significant difference in the educational experience and eliminates upper-division course fees except for the private lessons.

3. The impact on students in the program was considered. Staff in CLA estimated how many hours majors took in these courses in a year, what the cost would be at $20 a credit hour, and what the average savings would be if all course fees were eliminated. If the music lesson fee were kept, there would be no added differential tuition for those courses but the lesson fees would remain. The net cost to majors annually would be less than the $600 per year discussed with students in the School:

FALL 2018: AVG # UPPER DIVISION CREDITS TAKEN BY ARTS MAJORS IN ARTS SUBJECTS					
	Actual	Projected	Projected		
MAJOR	AVG CREDITS/TERM	AVG CREDITS/AY	$20/SCH/AY	Estimated Course Fee Offset	Net
479 Pre-Graphic Design	6	18	$360.00	$0.00	$360.00
779 Graphic Design	9.57	28.7	$574.00	$0.00	$574.00
859 Applied Visual Arts	8.64	25.93	$518.57	($218.33)	$300.24
880 Art	6.36	19.08	$381.67	($160.65)	$221.02
950 Music	5.61	16.82	$276.40	($110.56)	$165.84
ALL ARTS MAJORS	7.6	22.79	$455.85	$0.00	$455.85
Assumes average per credit in art is $8 (total FY18 upper division course fee divided by FY18 SCH)					
Assumes usic majors take three credits annually of lessons @$230/SCH , other credits at $8 per SCH course fees					